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No. 90-973

Supreme Court, U.S.
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In The
Supreme Court of the United States
October Term, 1990

THE SIDWELL COMPANY,
Petitioner,

vs.

REAL ESTATE DATA, INC.,
Respondent.

BRIEF IN OPPOSITION TO THE PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

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QUESTIONS RESTATED

1. Did the Court of Appeals err in following the well-established construction of the work-for-hire provisions of the Copyright Act of 1909, which is uniformly adhered to by other Courts of Appeals, in holding that an independent contractor is not entitled to either the original or renewal copyrights to maps which are public records, where the independent contractor did not obtain from the commissioning governmental body an agreement granting it the copyright to these public records?

2. Did the Court of Appeals err in upholding the factual findings of the trial court that the Cook County Board did not agree to give up the copyrights to public record maps produced by an independent contractor, where there was no express contractual provision which granted the copyrights to the independent contractor, and the independent contractor failed to present evidence of statements or conduct which would establish that the County Board did not intend to retain the copyrights?

STATEMENT REQUIRED BY RULE 29.1

Respondent, Real Estate Data, Inc., was a Delaware corporation at the time of the commencement of this action. Real Estate Data, Inc. is now known as Real Estate Information Service, and is a division of Elsevier Realty Information, Inc., a Delaware corporation which is a subsidiary of Elsevier, N.V. (Netherlands), a publicly held corporation.

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COUNTERSTATEMENT OF THE CASE

This case concerns whether petitioner, The Sidwell Company ("Sidwell"), owns the copyrights to the official tax maps of Cook County, Illinois. The applicable law is the Copyright Act of 1909 (17 U.S.C. Secs. 24 and 26).

Tax maps show the location and tax-roll number for each parcel of land within a given jurisdiction and the placement of streets and boundaries. By law these maps are public records. Ill. Rev. Stat. ch. 120, sec. 511. In the mid-1950s the Clerk of Cook County developed a permanent parcel numbering system for the identification of real estate ("PIN numbers"). The creation of this system necessitated the preparation of a set of maps which would identify real estate parcels by PIN numbers.

Sidwell produced the tax maps pursuant to two contracts with Cook County, made in 1957 and 1959. Although Sidwell claims to have had a policy of securing copyrights on maps which it produces, neither contract contained any provision which granted it the copyrights to the tax maps. By law, a public contract with Cook County is "null and void" unless approved by the County Board. Ill. Rev. Stat. ch. 34, secs. 951, 1001. An agreement to give up the valuable copyrights to the tax maps therefore required County Board approval.

Asked why Sidwell did not seek to obtain an express provision giving it the copyrights to the tax maps, Sidwell's president admitted:

> "you don't make those kinds of suggestions if you want to get anything accomplished or signed." (App. B-2, 1988 Finding #1; Rex dep. 579)

Instead, Sidwell asserted that it had made an oral "side deal" with the now-deceased Clerk of Cook County to obtain the copyrights. There was no evidence that the County Board was informed of this deal. The courts below held that Sidwell could not circumvent the requirement that a copyright agreement had to be made with the County Board by dealing with the Clerk.

Sidwell, nonetheless, copyrighted the tax maps in its own name. Upon the expiration of the original 28 year term, Sidwell obtained renewal certificates. Sidwell's application for renewal certificates conceded that Sidwell was claiming the copyrights as a "proprietor of copyright in a work made for hire."

In 1978, respondent Real Estate Data, Inc. ("REDI") commenced this action, seeking, *inter alia*, a declaration that the copyrights claimed by Sidwell were invalid. After a trial in 1985, the district court ruled that Sidwell had failed to demonstrate any agreement with the County that would give it the copyrights. There was no written evidence of such an agreement, and the current County Clerk unequivocally testified that the County owned the copyrights to the tax maps. (App. B-3, 1988 Finding #3; tr. 44) The trial court ruled that Sidwell's copyright claims were invalid.

Both the trial court and the Court of Appeals recognized that the case was governed by the Copyright Act of 1909, and not the superseding 1976 Act. Specifically, they ruled that sec. 26 of the Act codified the "work for hire" doctrine under which "in the absence of an agreement to the contrary, the copyright belongs to the person commissioning the work, not the person creating the work." *Real Estate Data, Inc. v. The Sidwell Co.*, 809 F.2d 366, 371 (7th Cir. 1987) ("REDI I") (App. F-7). Furthermore, it was held "[t]he rule applies to independent contractors, as well as employees." *Id.*, citing *Brattleboro Publishing Co. v. Winmill Publishing Corp.*, 369 F.2d 565, 568 (2nd Cir. 1966) and *Picture Music, Inc. v. Bourne, Inc.*, 457 F.2d 1213, 1216 (2nd Cir. 1972). In *REDI I*, the Seventh Circuit ruled that the "work-for-hire" doctrine established a rebuttable presumption that the party commissioning the work owns the copyright, which could be overcome by evidence of a contrary agreement.

In *REDI I* the Seventh Circuit recognized that Sidwell had failed to prove an express or written agreement to obtain the copyrights from the county. However, it remanded the case to the trial court for additional findings relating to events subsequent to the contract which might evidence a non-written agreement by the County Board to give up the copyright. On remand the trial court made additional findings of fact, and again concluded that Sidwell had failed to prove that it had secured an agreement giving it the copyrights. The findings of facts emphasized that:

> "Nothing done by Sidwell subsequent to the signing of the contract in any way reflects that it was the intention of the contracting body of the County, the County Board, that Sidwell should be given a valuable property right, the copyright which belonged to the County." (App. B-2; 1988 Finding #2)
>
> * * *
>
> "There is no showing of either an express or implied agreement that Sidwell was to retain the copyrights. Its course of conduct over the years, taken by it unilaterally, without notice to the County Board, does not demonstrate an intention on the part of the County

> Board or any of its members that Sidwell was to have the copyright. To the contrary, there is no evidence to show that either the County Board or any of its members were aware that Sidwell had made or was continuing to make applications for copyrights on the official tax maps of Cook County or that it was affixing copyright notices to the official tax maps." (App. B-4-5; 1988 Finding #7)

The Seventh Circuit affirmed the trial court's finding that Sidwell's copyright claims were invalid in *Real Estate Data, Inc. v. the Sidwell Company*, 907 F.2d 770 (7th Cir. 1990) ("REDI II") (App. A). In upholding the trial court's findings, the Court of Appeals held:

> "Those findings make it perfectly clear that Sidwell has failed to produce written or testimonial evidence of statements or conduct that could overcome the rebuttable presumption that the County retained the copyrights at issue instead of granting them to the independent contractor it hired." 907 F.2d at 773 (App. A-6)

Following the trial court's initial ruling invalidating Sidwell's copyrights to the official tax maps, REDI obtained permission from Cook County to copy the tax maps for commercial purposes. Sidwell responded by bringing a separate action, alleging copyright infringement. Sidwell repeatedly sought injunctive relief in the new case. Two motions for temporary restraining orders, one motion for a preliminary injunction, and two motions for reconsideration were denied.

In June, 1987, Sidwell filed, for the first time in the case at bar, a motion for preliminary injunction identical to its most recent motion which had been denied in the separate action.[1] Unlike the declaratory judgment trial, Sidwell's injunction motion also encompassed its claim to own the copyrights to maps covering the City of Chicago, produced under the 1957 contract, and its claim to own the renewal copyrights to all the tax maps.

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[1] Sidwell, thus, is incorrect in stating that Seventh Circuit's decision is a "consolidation" of two separate actions. Sidwell's separate action for injunctive relief, filed in 1986, was never consolidated with this case.

Sidwell, however, did not attempt to introduce any evidence to establish that the County Board had agreed to give it the copyrights to the maps covering Chicago. Moreover, Sidwell did not attempt to distinguish its copyright pretensions for these maps from the copyright claims under the 1959 agreement, which the trial court previously had ruled did not give Sidwell the copyrights. The trial court denied the motion for injunctive relief, as well as Sidwell's motion for reconsideration.

Sidwell's appeal of the denial of its motion for injunctive relief was consolidated for argument with the appeal of the order invalidating Sidwell's copyrights. The Seventh Circuit rejected Sidwell's claims that, as an independent contractor, Sidwell would be entitled to the renewal copyright term regardless of whether it was entitled to the original copyrights. In doing so, the Seventh Circuit followed the unchallenged position of the Second Circuit in *Picture Music v. Bourne, Inc.*, 457 F.2d 1213, (2nd Cir. 1972), a case which Sidwell did not cite in its initial brief. The Seventh Circuit affirmed the denial of Sidwell's motion for injunctive relief, stating "[s]uch injunctive relief was properly denied principally because, as held above, Sidwell is not entitled to the copyrights on these maps." *REDI II*, *supra*, 907 F.2d at 773. (App. A-6)

SUMMARY OF ARGUMENT

This case is controlled by the "work-for-hire" provisions of the Copyright Act of 1909, a statute of limited remaining applicability, which has been superseded by the 1976 Copyright Act. The Seventh Circuit followed the construction of the 1909 Act which is adhered to without exception by all courts. There is no conflict of opinion which needs to be resolved by this Court. Furthermore, there is no reason to grant *certiorari* to review the unique facts pertaining to the contract at issue, particularly where these facts have been considered carefully by both the trial court and the Court of Appeals on two separate occasions.

REASONS FOR DENYING THE WRIT

I. THE SEVENTH CIRCUIT FOLLOWED THE CONSTRUCTION OF THE COPYRIGHT ACT OF 1909 WHICH IS FOLLOWED WITHOUT EXCEPTION BY THE COURTS OF APPEAL; THERE IS NO CONFLICT WITH ANY OPINION OF ANY OTHER COURT OF APPEAL OR WITH ANY DECISION OF THIS COURT

The ruling of the Seventh Circuit was in accord with the uniformly followed construction of the "work-for-hire" provisions of the Copyright Act of 1909. The work-for-hire doctrine even antedated the 1909 Act. *See, Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239 (1903) (Holmes, J.). Section 26 of the Act codified the "work-for-hire" doctrine by specifying that "[t]he word 'author' shall include an employer in the case of works made for hire." No court ever has questioned the constitutionality of the "work-for-hire" doctrine. Nonetheless, Sidwell now asserts, nearly a century later, and after the passage of a new copyright act in 1976, that the statutory presumption in the 1909 Act, that an "employer" is the "author" , violates the copyright provisions of the Constitution.

Sidwell's constitutional challenge to the "work-for-hire" provisions would be equally unsupported even if it were limited to the context of works created pursuant to an agreement with an independent contractor. For at least a half-century, since *Yardley v. Houghton Mifflin Co.*, 108 F.2d 28 (2nd Cir. 1939), the courts have held that an independent contractor does *not* obtain the copyright for a commissioned work "unless by the terms of the contract, express or implicit, the artist has reserved the copyright to himself." 108 F.2d at 31.[2]

Early cases, such as *Yardley*, employed the fiction that independent contractors were presumed to have assigned the copyright to the commissioning party. Scholarly commentary soon suggested that the express "work-for-hire" provisions of the 1909 Act encompassed the independent contractor relationship.

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[2] The opinion of the Fifth Circuit in *Easter Seal Society v. Playboy Enterprises*, 815 F.2d 323, 325-7, (5th Cir. 1987) gives a detailed history of the development of "work-for hire" principles with respect to independent contractors.

An influential note in the Columbia Law Review, "Renewal of Copyright-Section 23 of the Copyright Act of 1909", 44 Colum. L. Rev. 712, 716 (1944), argued that the "work-for-hire" provisions of the Act were intended to apply to "those works produced by the literary and artistic talents of an author employed by the proprietor for such purposes", as opposed to works which were subsequently acquired from the creator by an actual assignment or sale. The article contended that, in such cases, both the initial and renewal copyright terms should belong to the commissioning party who was the "motivating factor . . . [and] induced the creation" of the work.

Eventually, the Second Circuit abandoned use of the legal fiction of a presumed assignment. In *Brattleboro Publishing Co. v. Winmill Publishing Corp.*, 369 F.2d 565 (2nd Cir. 1966), the Court of Appeals expressly treated works created by an independent contractor as coming within the "work-for-hire" provision. Noting that under the "work-for-hire" doctrine the copyright presumptively went to the party at whose "instance and expense" the work was created, the court held that "[w]e see no sound reason why these same principles are not applicable when the parties bear the relationship of employer and independent contractor." 369 F.2d. at 568.

The Second Circuit emphatically reiterated this holding in *Picture Music, Inc. v . Bourne, Inc.*, 457 F.2d 1213 (2nd Cir. 1972), stating that "[t]he purpose of the [copyright] statute is not to be frustrated by conceptualistic formulations of the employment relationship." 457 F.2d at 1216. In *Picture Music*, an independent contractor had been hired to arrange and adapt music from the film "The Three Little Pigs" into a popular song. As Sidwell has done in the case at bar, she procured a renewal copyright. The Court of Appeals held: "[t]hat she acted in the capacity of an independent contractor does not preclude a finding that the song was done for hire." 457 F.2d at 1217. The court ruled that her copyright was invalid.

The position of the Second Circuit that, under the 1909 Act, the copyrights to works produced by independent contractors presumptively belong to the commissioning party, has not been disputed by any other court decision. See, *e.g., Murray v. Gelderman*, 566 F.2d 1307, 1311, n. 7, (5th Cir. 1978). Summarizing

judicial construction of the "work-for-hire" provisions, the Fifth Circuit stated in *Easter Seal Society v. Playboy Enterprises*, 815 F.2d 323 (5th Cir. 1987):

> "Thus at the time of the adoption of the 1976 Act, the simple rule of *Yardley* . . . had developed into an almost irrebuttable presumption that any person who paid another to create a copyrightable work was the statutory 'author' under 'the work for hire' doctrine . . . Whenever one person bought authorship services from another, the seller was a copyright 'employee' and the buyer was a statutory 'author'". 815 F.2d at 327.

Sidwell's Petition does not suggest that any court disagrees with this construction of the 1909 Act. *Community for Non-Violence v. Reid*, 490 U.S. 730 (1989), cited by Sidwell, construed the new 1976 Act, not the 1909 Act which controls this case. In the absence of any judicial conflict in construing the 1909 Act, there is no need for this Court to grant *certiorari* to review the well-established construction of a statute with limited remaining application, which has been superseded by a revised law.

Sidwell's argument with respect to renewal copyrights also is unsupported by any judicial opinion. Sidwell argues that a party who is not entitled to the original copyright nonetheless should be given the renewal term. This illogical position requires a construction of the 1909 Act which would give two contradictory meanings to the term "employer" with respect to works made for hire. The codification of the "work-for-hire" doctrine in sec. 26 defines the "author" of a copyrightable work to include "an employer in the case of works made for hire." Section 24 of the 1909 Act similarly gives the right of renewal to the "employer" in the case of a work made for hire. As noted, courts consistently construe the term "employer" to encompass relationships with independent contractors in defining the scope of the "work-for-hire" doctrine under the 1909 Act. Sidwell cites no case in which a party was held to be an "employer" for the initial term, but not for the renewal term.

Sidwell seeks to confuse the copyright status of persons commissioned to create a copyrightable work with authors who create such works and subsequently assign or sell their copyright status. The 1909 Act treats these categories quite differently. In the leading case of *Picture Music, Inc. v. Bourne, Inc.*, 457 F.2d 1213, 1216 (2nd Cir. 1972), the Second Circuit followed the distinction articulated in the Columbia Law Review note, discussed *supra*, which defined works done for hire to include "works produced by the literary and artistic talents of an author employed by the proprietor for such purposes and not works acquired from an independent author by purchase or assignment." 44 Colum. L. Rev. 712, 716 (1944). Accordingly, the *Picture Music* decision held that the independent contractor hired to adopt the preexisting music to a popular song was not entitled to the copyright, because the commissioning party was not the "motivating factor" for the creation of the work. The factual pattern in *Picture Music* is not distinguishable from the case at bar, where Sidwell was hired to incorporate the County's PIN number system into a series of maps.

Sidwell, which failed to cite the leading case of *Picture Music* in its initial brief to the Seventh Circuit, misstates the facts of that case in its current Petition. Sidwell now pretends that *Picture Music* involved a traditional employer-employee relationship (Petition at 23), when in fact the Second Circuit explicitly ruled that the song-adapter was not entitled to the renewal copyright even though "she acted in the capacity of an *independent contractor*." 457 F.2d at 1217 (emphasis added).

Simply stated, no court agrees with Sidwell's position. Lacking any case conflicting with the ruling below, or the authoritative *Picture Music* decision, Sidwell refers to *Stewart v. Abend*, 495 U.S. ___, 110 S. Ct. 1750 (1990), even while conceding that "this case does not involve the work for hire doctrine." (Petition at 23) Indeed, *Stewart* was a classic assignment case, in which an author created a work and then sold his rights.

Nor is there any merit to Sidwell's claim that it would be "unjust" to apply this statutory construction to Sidwell's dealings with Cook County. At the time Sidwell contracted with the County the well-established law already presumed that the County, and not Sidwell, would retain the copyrights unless the County Board

made a contrary agreement. The evidence in the case made it clear that Sidwell did not dare ask the contracting authority, the County Board, for a grant of the copyrights, and preferred to rely on its under-the-table "side deal" with the County Clerk. Sidwell even admitted that the maps were "work[s] made for hire" when it filed copyright renewal applications. In these circumstances, Sidwell has no greater claim to retain the copyrights than did the independent contractor in *Picture Music*, whose creation of a "work-for-hire" took place in 1933, a quarter century *prior* to Sidwell's contracts. *A fortiori*, an exception to the "work-for-hire" doctrine should not be made where it would turn over to a private party the copyrights to valuable public records.

In sum, the courts below followed the well-established and uncontested construction of the "work-for-hire" provisions of the Copyright Act of 1909. No court agrees with Sidwell's position. The writ of *certiorari* should be denied.

II. THE COURTS BELOW CAREFULLY CONSIDERED THE EVIDENCE RELEVANT TO SIDWELL'S COPYRIGHT PRETENSIONS

Under the "work-for-hire" doctrine, Sidwell had the burden of demonstrating that the Cook County Board, which had the sole power to enter into contracts worth more than $1000, had agreed to give up the copyrights to the County's official tax maps. Sidwell failed to meet that burden.

The seriousness with which the evidence was considered in this case is manifested by the Court of Appeals' remand for additional findings on the possibility that an unwritten agreement might be demonstrated by some "indirect proof". *REDI I, supra*, 809 F.2d at 377, (App. F-18). Sidwell could not establish any such agreement by the County Board. Moreover, its position was devastated by its admission that it did not dare ask the County Board for the copyright, and its attempt to circumvent the Board by a "side deal" with an official who lacked the power to surrender the copyrights to valuable public records. There is no justification for granting Sidwell's Petition in this fact-laden case, which was carefully scrutinized on two separate occasions by the Court of Appeals.

CONCLUSION

For the foregoing reasons, the Petition for Writ of Certiorari should be denied.

Respectfully submitted,

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